

Projects Budget Guide

Strategic Vision

The City of Sunnyvale has developed a strategic vision to develop its capital assets so that residents will continue to realize optimal service in an aesthetically pleasing environment. Careful management of these assets keeps the City poised for flexible and responsive growth, while the methodical planning aspect allows the City to proactively prepare the ground work so that opportunities arising from a dynamic economy can be seized. Further, this plan incorporates a broad vision that allows the City to concentrate on the “here and now” delivery of service, while keeping its eye on the horizon. Applying a long-term approach allows the City to seek economically solid and financially feasible opportunities to “grow” our City toward a vision of tomorrow.

In Sunnyvale’s multi-year framework, capital improvement maintenance and infrastructure replacements are given a high priority. New capital improvements must be supportive of the General Plan. Infrastructure projects ensure that the City’s long-term financial plan represents the large demand that fixed asset replacement places on any governmental agency.

Capital improvements substantially affect the economic vitality and quality of life in the community. By definition, a capital improvement requires a major initial investment, a significant and continuing financial commitment, and eventually replacement. Capital improvements require careful long-term planning and budgeting so that cyclical downturns or unforeseen financial emergencies do not curtail planned maintenance and necessary replacement.

The City of Sunnyvale has seven elements in its General Plan, including Land Use & Transportation; Community Development; Environmental Management; Public Safety; Socio-Economic; Cultural; and Planning & Management. Each of these elements contains a comprehensive capital assets plan that is specific to its focus and scope of service. These plans are formulated through careful analysis, study, and consideration. The Projects Budget has been restructured to more fully align projects with the General Plan Elements.

Using the plan as a foundation, individual projects are proposed based on the needs of the community. These projects may be designated as capital, infrastructure, special, or outside group funding. Capital projects

relate to construction, major improvements, or acquisition of a structure. Infrastructure projects generally relate to the long-term renovation and replacement of the City's physical assets like streets, sewers, water lines, roof replacements, and heating, air conditioning and ventilation system replacement. Special projects generally include one-time projects that are designed to address a specific community need or problem. For example, this category could include a feasibility study on the need for higher capacity at the Water Pollution Control Plant. The last category is outside group funding. These also are special projects, but are separated to identify City contributions to local community-based organizations.

Project Planning & Budgeting

Every other year the City reviews and updates the twenty-year Projects Budget. Every project is extensively reviewed. The City examines each project in several different contexts. Consideration is given to how the project will be financed and sometimes whether it will be financed. Cost/benefits analyses are conducted on the merits of the projects and where each fits into the overall capital assets plan for the City. Projections are formulated on expenditures and if the project will generate revenues. All project costs are updated to reflect current requirements.

In order to provide a sound foundation for decision making on capital improvements and other project-related efforts, the City applies extensive criteria to determine the value of each project, including, but not limited to, protection of public health and safety, adherence to legal requirements, environmental quality, level of public support, return on investment, availability of financing, and relationship to Council-adopted plans.

Operating resources required to maintain new capital improvements commencing the year the improvement is completed are included in the City's long-term financial plans. Each project identifies, if applicable, the amount and the fiscal year in which the additional operating costs become effective. These costs are incorporated in the long-term financial plans for each Fund affected. This approach provides a complete financial analysis of the impact of all projects proposed for funding in the immediate year as well as in future years.

Fiscal Policies Related to Capital & Infrastructure Expenditures

The Fiscal Sub-Element of the General Plan identifies a number of capital improvement and related policies designed to maximize value and cost-effectiveness of

the City's infrastructure. Several key policies are listed below.

Capital Improvement Plan. High priority should be given to replacing capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purposes. Priority will be given to the repair and replacement of existing infrastructure as compared to the provision of new or expanded facilities.

Capital Improvement Design. The planning and design of all capital improvements should be based on standards that minimize construction costs, while assuring acceptable useful life and reducing maintenance requirements. Value engineering processes will be utilized when necessary and appropriate

Capital Improvement Funding. Governmental capital improvements should be funded on a pay-as-you-go basis in most cases. Alternate financing strategies may be considered in light of the specific project and the consequences of each financing strategy.

Land Acquisition. A high priority will be given to acquiring undeveloped land needed to meet City goals before it is developed. Developed land should be acquired in reasonable proximity to the time the property is required for City purposes.

Reserves. Provide a prudent level of reserves for future unexpected expenses and revenue declines; to accumulate funds to support future planned capital improvements; and to level high and low expenditure years in the Twenty-Year Resource Allocation Plan.

How the Projects Budget is Organized

This volume is organized to facilitate ease of use. For that reason, it begins with three comprehensive listings of the projects included in the City's Projects Budget. The first is arranged numerically by project number. The second is arranged in alphabetical order by project title. The third is organized by department. The subsequent sections present the actual projects, which are divided into fourteen project categories in order to coincide with the seven Elements of the General Plan as follows:

<u>Projects Category</u>	<u>Element</u>
Traffic & Transportation	Land Use & Transportation
Downtown	Community Development
Housing	Community Development
Water	Environmental Management
Solid Waste	Environmental Management
Wastewater	Environmental Management
Public Safety	Public Safety

Socio-Economic	Socio-Economic
Community Development	
Block Grant (CDBG)	Socio-Economic
Outside Group Funding	Socio-Economic
Parks & Recreation	Cultural
Library	Cultural
Governance & Community	
Engagement	Planning & Management
Administrative Facilities	Planning & Management

Each projects category section begins with a brief overview, followed by numerically-ordered Project Information Sheets. Each Project Information Sheet contains the project number/name, project description, evaluation and fiscal impact, project costs, operating costs, and revenues/transfers over the life of the project (within the twenty-year planning timeframe). Additional information is also provided on these pages identifying the department and staff

responsible for project administration, planned completion year, and the funding source(s).

Unfunded Projects

Over the last several years, staff has made a concerted effort to identify all of the unfunded capital projects that pose a significant liability in the long term. Unfunded projects fall into several categories, with many having potential funding sources that can be pursued. Many of these unfunded projects are on hold, pending the results of the Parks and Open Space of the Future Project and strategic review of the City's administrative facilities. Project Information Sheets for these unfunded projects can be found in numerical order at the back of the project categories previously listed. At such time as the City's strategic reviews are completed, or funding is secured, the unfunded projects will be re-evaluated.